How to do Business with the Government

An Introduction to the DOD Procurement Process

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Purpose

- To present a stand alone briefing that can be tailored to specific small business needs

- Four functional briefings
  - Beginning the Process of obtaining business with the Government
  - Overview of the inter-relationships of the Request For Proposal (RFP) with the resulting contract
  - Overview of the source selection process
  - Best Practices and Lessons Learned for Small Businesses

Overview

- **Beginning the Process for Small Business**
- **DOD Pre-Award Process**
- **Structure of the Request for Proposal**
- **The Government's Source Selection Process**
- **Common Proposal Problems**
- **Where Can I Get Help ?**
- **Summary**

Beginning the Process for Small Business

- Identify your product or service
- Obtain a DUNS number
- Register in the SBA Procurement Marketing and access network system and review SBA certifications
- Identify current federal government procurement opportunities
- Familiarize yourself with federal civilian and DoD contracting procedures
- Investigate GSA FSS and GWAG
- Seek additional assistance in the federal/DoD marketplace
- Explore subcontracting opportunities
- Market your firm

Phase 1 – Beginning The Process

Identify your product or service

- **It is helpful to know the Federal Supply Classification (FSC) code and the North American Industry Classification System (NAICS) code for your product or service. (Go to www.sba.gov for more info)**

- **Many federal government product/service listings and future procurements are identified by their FSC code and/or NAICS code.**

- **The Small Business Administration (SBA) has established a table of small business size standards based on NAICS. SBA size standards define whether a business entity is small and thus eligible for Government programs. (Go to www.sba.gov for more info)**

Phase 1 – Beginning The Process

Obtain a DUNS Number and register in the Centralized Contractor Registration (CCR) System

- **If you do not have a DUNS Number, contact Dun and Bradstreet to obtain one. Registration confirmation takes approximately 30 days so it is very important that you register.**
- **You must be registered in CCR to be awarded a contract from the Department of Defense (DoD). You must be registered in order to get paid.**
- **You may register in the CCR through the World Wide Web at: http://www.ccr.gov Registration application and information packet may also be obtained by calling the DoD CCR Assistance Center at 1-888-227-2423.**
- **CCR is a database designed to hold information relevant to procurement and financial transactions..**

Phase 1 – Beginning The Process

Register in the SBA Procurement Marketing and Access Network (PRO-Net) system and review SBA certifications

- **The SBA manages the PRO-Net database of small business concerns. PRO-Net is an Internet-based database for and about small businesses used by federal government buying offices as well as many large DoD prime contractors. (Go to www.ccr.gov for more info)**

- **Determine if your firm qualifies for 8(a), SBA, or HUBzone certification.**

- **Consider other resources including the Service Corps of Retired Executives and the Women's Online Business Center.**

Phase 2 - Opportunities

Identify current federal government procurement opportunities

- **The first step is to contact your Small Business Specialist at www.sba.gov**
- **Check the federal civilian government single point of entry for many opportunities over $25,000 at FedBizOpps.**
- **Identify current DoD procurement opportunities in your product or service area by also checking FedBizOpps**

Phase 2 - Opportunities

Explore subcontracting opportunities

- **Regardless of your product or service, it is important that you do not neglect the very large secondary market - subcontracting opportunities through prime contractors.**

- **Although there is no single point of entry for subcontracting opportunities in the federal civilian procurement marketplace, SBA's SUB-Net is a valuable source for obtaining information on subcontracting opportunities. Prime contractors, government, commercial, and educational entities, may post solicitations or notices here. (Go to www.sba.gov for more info)**

- **For DoD -The SADBU Website lists all major DoD prime contractors by state and provides a point of contact (Small Business Liaison Officer) within each firm. Investigate potential opportunities with these firms. Partnering with a prime contractor as their subcontractor can be an excellent entry platform to the federal marketplace (Go to http://selltoairforce.org for more information)**

SEE SMALL BUSINESS SPECIALIST FOR UPCOMING OPPORTUNITIES

Phase 2 - Opportunities

DoD Program GPC

- **The Government Purchase Card (GPC) program was primarily designed to streamline the Government's acquisition of goods and services valued at under $2,500.**

- **The program enables persons outside contracting offices to make purchases directly using the GPC card.**

- **The program also provides advantages to merchants who accept the GPC card because it cuts down on paperwork and expedites payments to them.**

SEE THE CONTRACTING OFFICE'S GPC COORDINATOR FOR SMC: 61st CONTRACTING SQUADRON

Phase 2 - Opportunities

Familiarize yourself with federal Civilian and DoD contracting p

- **Be familiar with the Federal Acquisition Regulations (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS).**
- **Some organizations have their own supplemental acquisition regulations to the FAR (e.g., the DoD DFARS) or have been permitted to operate under acquisition regulations other than the FAR**
- **Go to www.farsite.hill.af.mil**

Phase 2 - Opportunities

Investigate General Services Administration (GSA) Federal Supply Service (FSS) Schedule Contracts and FSS Information Technology Government Wide Acquisition Contracts (GWACs)

- **Increasingly, many federal purchases are orders from schedule contracts and GWACs.**
- **Such order opportunities are rarely announced on the websites but are normally competed amongst pre-qualified vendors already under contract.**
- **Contact the GSA Small Business Government-wide Acquisition Contract Center (the former FTS Small Business Solutions Development Center) for information on how to obtain an Information Technology GWAC in targeted socioeconomic areas and GSA FSS for FSS Schedule Contracts. (Go to www.gsa.gov for more information)**

Phase 2 - Opportunities

- **The GSA Schedules (Multiple Award Schedules) Program establishes long-term government-wide contracts with commercial firms.**

- **These contracts provide federal agencies with access to over 4 million commercial services and products.**

- **GSA Schedules provide customers-even those in remote locations with state-of-the-art, high-quality commercial services and products at volume discount pricing.**

Phase 3 – Additional Assistance

Seek additional assistance, as needed, in the federal civilian and/or DoD marketplaces:

- **There are several important resources that are available to assist you in the federal civilian marketplace:**
  - **The GSA Office of Small Business Utilization – The GSA advocate for small, minority, and women business owners. Its mission is to promote increased access to GSA's nationwide procurement opportunities.**
  - **The Minority Business Development Agency – operated out of the U.S. Department of Commerce. (Go to www.mdba.gov for more information)**
  - **The Acquisition Network – A Website operated by GSA used to disseminate authoritative federal civilian acquisition related information.**
- **Procurement Technical Assistance Centers (PTACs) are located in most states and partially funded by DoD to provide small business concerns with information on how to do business with DoD. PTACs provide training and counseling on marketing, financial, and contracting issues at minimal or no cost. (Go to www.dla.mil/db for more information)**

Phase 3 – Additional Assistance

Seek additional assistance, as needed, in the federal civilian and/or DoD marketplaces (Continued)

- **There are several important resources that are available to assist you in the DoD marketplace:**
  - **Small Business Specialist are located at each DoD buying activity and can provide assistance on how to market to the DoD. (Go to http://selltoairforce.org for more information)**
  - **The Defense Link Website provides links to the homepages of every DoD activity and notices of large contract awards. This information can be invaluable in researching the DoD marketplace and identifying your target market. (Go to www.acq.osd.mil/sadbu for more information)**
  - **Links to DoD Procurement Forecasts and other program information are available on the DoD Small and Disadvantaged Business Utilization Website (SADBU). (Go to http://selltoairforce.org for more information) The SMC Small Business Specialist can be contacted through the following website: www.losangeles.af.mil/SMC/BC**

Phase 3 – Additional Assistance

Resources

- **There are several SBA programs that may be of interest to you, such as the:**
  - **8(a) Business Development Mentor-Protégé Program (Go to http://selltoairforce.org for more information)**
  - **Small Business Innovation Research Program and Small Business Technology Transfer Research Program Go to www.acq.osd.mil/sadbu for more information)**
  - **Historically Black Colleges and Universities and Minority Institutions Program. (Go to http://selltoairforce.org for more information)**

Information on these and other programs is available on the SADBU Website (Go to http://selltoairforce.org for more information)

Phase 3 – Additional Assistance

Market your firm

- **Identifying your customers**
- **Researching their requirements**
- **Attend Trade Shows and Industry Days**

DOD Pre-Award Process

- **Technical Baseline Development**
- **Acquisition Strategy Development**
- **Solicitation Development**
- **Source Selection (FAR 15) / Sealed Bid (FAR 14)**
- **Post Award**

Announcement of Government Opportunities

- **Synopsis – FedBizOpps**
  - **Sources Sought Synopsis**
  - **Product: Statement of Capabilities**

- **Industry Day**
  - **One on One Meetings**
  - **Risk Assessment**
  - **Pre-Soliciation Conferences**
  - **Draft RFP Docuemnts**
  - **Program/Project websites**

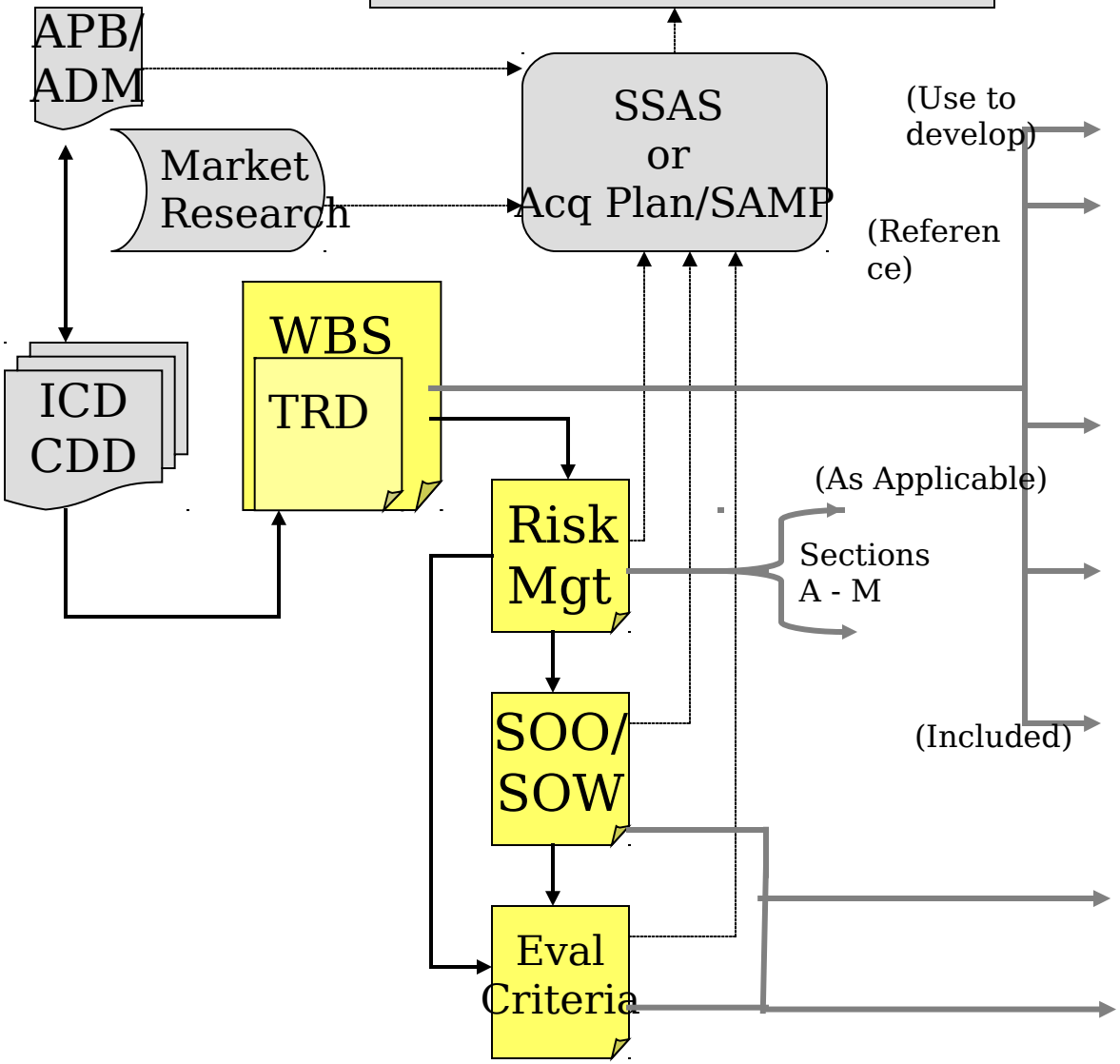
- **Synopsis of Contract Action**
  - **Pre-Proposal Conference**

Structure of the Request For Propo

RFP Format

Section	
	PART I – THE SCHEDULE
A	Solicitation/Contract Form
B	Supplies or Services and Prices/Costs
C	Description/Specifications/Work Statement
D	Packaging and Marking
E	Inspection and Acceptance
F	Deliveries or Performance
G	Contract Administration Data
H	Special Contract Requirements
	PART II – CONTRACT CLAUSES
I	Contract Clauses
	PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS
J	List of Attachments
	PART IV – REPRESENTATIONS AND INSTRUCTIONS
K	Representations, Certifications and Other Statements of Offerors
L	Instructions, Conditions, and Notices to Offerors
M	Evaluation Factors for Award

Relationship of Documents to RFP



Parts of an RFP

Section A Solicitation / Contract Form

Section B Supplies or Services / Prices /

Section C Description / Specs / Work Sta

Section D Packaging and Marking

Section E Inspection and Acceptance

Section F Deliveries or Performance

Section G Contract Administration Data

Section H Special Contract Requiremen

Section I Contract Clauses

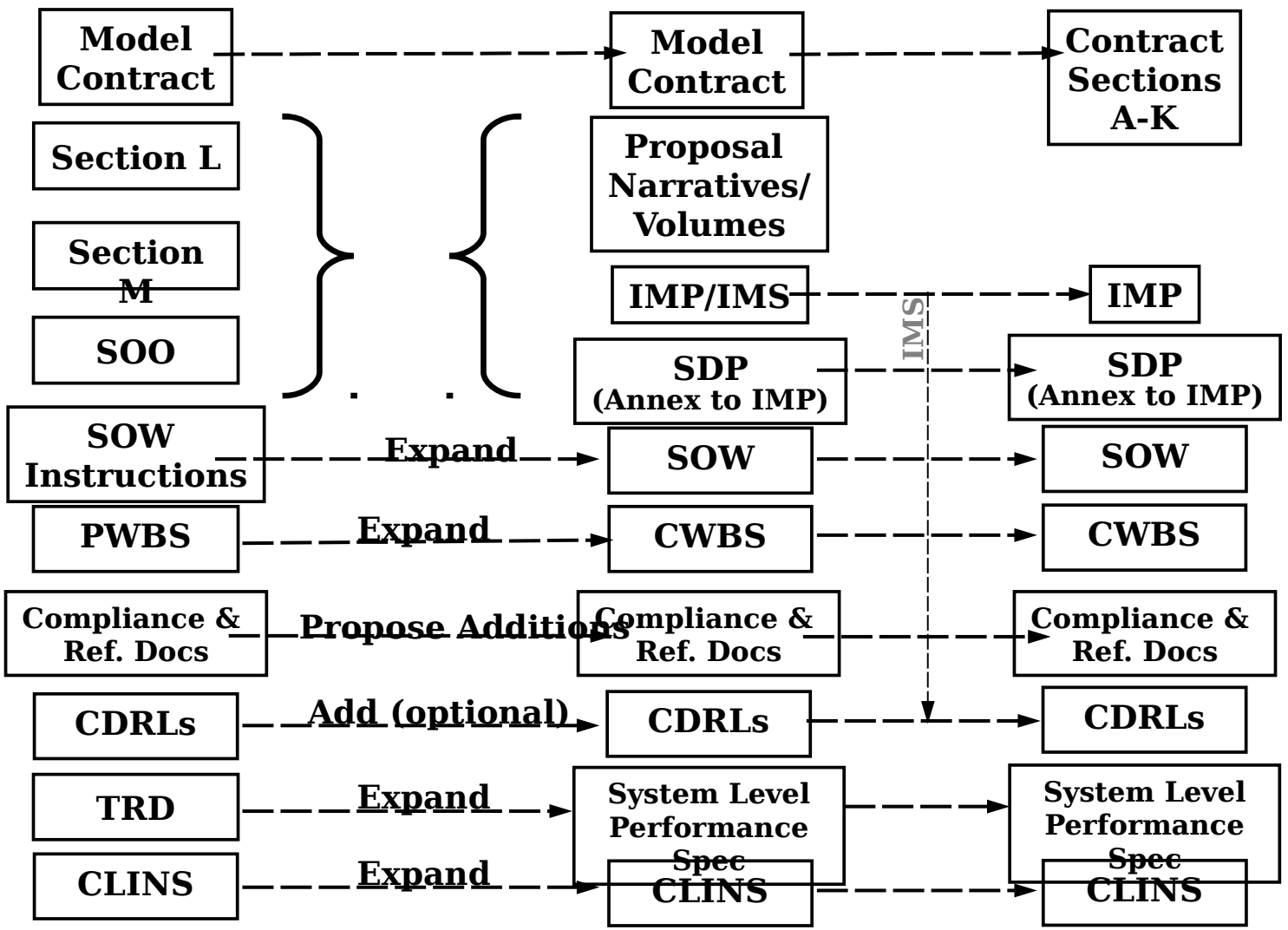
Section J List of Attachments

Section K Contractor Representations & Certifications

Section L Instructions, Conditions, and to Offerors

Section M Evaluation Factors for Award

RFP Link to Contract



Offeror's Response to RFP

- **Elements of a Cost/Price Proposal**
  - **Summary of Total Cost by Cost Element**
    - **Including indirect cost rates and profit**
  - **Summary of Total cost by Contract Line Item**
  - **Consolidated Bill of Materials**
    - **Types, quantities, prices, sources**
  - **Breakdown of Labor**
    - **Labor Categories, hours, rates**
  - **Other Direct Costs**
    - **Travel, purchased services, rentals, subcontracts**
  - **Rationale for proposed cost/price**

- **Submit proposal IAW Section L of the RFP**

How Are You Evaluated ?

- **Lowest Price Technically Acceptable (LPTA)**
  - **FAR 15.101-2**
- **Price/Performance Trade-Off (PPT)**
  - **FAR 15.101-1 and AFFAR 5315.101-1**
  - **With no Technical Acceptability**
  - **With Technical Acceptability**
- **Best Value Tradeoff**
  - **FAR 15.101**

How Are You Evaluated ?

- **Lowest Price Technically Acceptable (LPTA)**
  - **Government establishes criteria for acceptability: Pass/Fail**
  - **No credit for performance above acceptable**
  - **No trading between price and technical**
  - **Once acceptability is determined, select low price offer**
  - **May look at past performance, but not a selection factor unless it is less than satisfactory**

How Are You Evaluated ?

- **Price Performance Trade-off (PPT) w/no Technical Acceptability**
  - **Rate offerors past performance; rank by price**
  - **No technical proposal**
  - **Trade – Can award to offeror with better past performance at a higher price**
  - **Must justify trade as in best interest of the Government**

- **Price Performance Trade-off (PPT) with Technical Acceptability**
  - **Government establishes criteria for acceptability; Pass/Fail**
  - **No credit for performance above acceptable**
  - **No trading between technical and price/past performance**
  - **Trade – Can award to offeror with better past performance at a higher price**

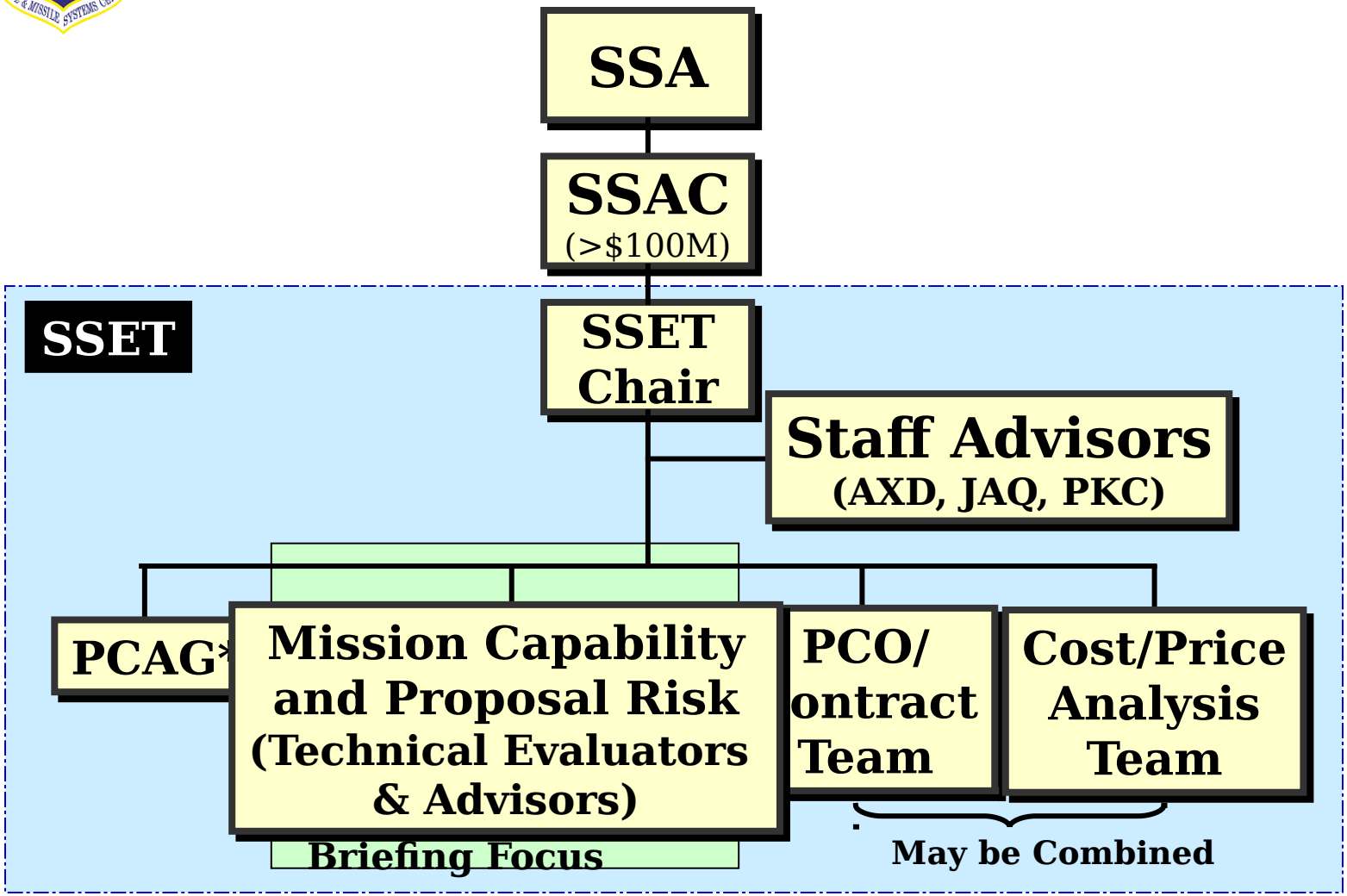
    (Optimum situation – Lowest price offeror has best past performance)
  - **Must justify trade as in the best interest of the Government**

How Are You Evaluated ?

- **Best Value Trade-off**
  - **Government establishes technical criteria that can be exceeded in a manner beneficial to the Government**
  - **Offerors are rated on the quality of technical performance**
  - **Past Performance is rated**
  - **Price is evaluated**
  - **Trade-off is based on the best combination of technical, past performance and price in accordance with the relative importance of each element to the overall decision**
  - **Must justify trade as in the best interest of the Government**

Air Force Source Selection Process

Source Selection Organization



* Use of PCAG to evaluate Performance Confidence is optional for Median Acquisitions

Section M Source Selection Factors

- **Mission Capability (MC)**
- **Programmatic, Performance, and Business Aspects**
- **Proposal Risk (PR)**
- **Indicator of an Offeror's ability to execute the program within the proposed cost schedule, and performance baselines**
- **Past Performance**
- **Historical evidence of recent and relevant contract performance**
- **Price/Cost**
- **Most likely cost to the government to perform proposed effort at contract completion**

Mandatory for Air Force Source Selections

Each factor uses a different evaluation process and set of definitions

Mission Capability

Section M Subfactor & Criteria (Example)

- **M 2.0 Evaluation Factors**
- **M 2.1 Factor 1 – Mission Capability**
- **M 2.1.6 Subfactor 6 – Product Integration and Planning (Brief paragraph describing what this subfactor will address, I.e., SOO, IMP, IMS, etc.**
- **The requirements are met when:**
  - **The offeror demonstrates a competent and effective IPT to manage and perform all contract tasks.**
  - **The offeror's progress toward defining teaming arrangements supports the product development and production schedules.**
  - **The offeror fully identifies all critical subcontracts and arrangements, and defines effective and achievable contingency plans to mitigate the loss of critical team members.**

Note: This section may also contain additional criteria for the other attributes within this subfactor.

Mission Capability

Section L Proposal Instructions (Example)

- **L 2.1 Factor 1 – Mission Capability**

- **L 2.1.6 Subfactor 6 – Product Integration and Planning**
  - **Offerors shall describe their team composition and provide a narrative that explains each team members responsibility and what benefit it provides to the overall product.**
  - **Offerors shall provide detailed evidence to show their progress in formalizing the team. Examples would include, but not be limited to, teaming documents, subcontracts, or other documents that bind the parties. Offerors should also discuss their process for finalizing teaming arrangements prior to contract start. A schedule of activities should accompany the narrative.**
  - **Offerors shall provide details of their risk mitigation plans to maintain contract schedule and costs should a critical team member drop from the team.**

Proposal Risk

- **“Proposal risk assessment focuses on the risks and weaknesses associated with an offeror’s proposed approach.**

- **Assessment of risk is done at the subfactor (or element level, if used) level, and includes potential for disruption of schedule, increased cost, degradation of performance and the need for increased Government oversight as well as the likelihood of unsuccessful contract performance.**

- **For any risk identified, the evaluation must address the offeror’s proposal for mitigating those risks and why that approach is or is not manageable…”**

(Source: AFFARS 5315.305(a)(3)(ii))

Past Performance

- **Why does the Government evaluate in Past Performance?**

  - Indicator that the offeror will successfully perform a contract to be awarded

- **What Subfactors are evaluated by the Government for Past Performance?**

  - Recency

  - Relevancy

  - Offeror's demonstrated performance

Recency

- **RFP provides specific limitations**
  - **Efforts still in progress or just completed**
  - **Performance history of at least one year**
  - **3 years back from date of solicitation (longer if necessary)**
  - **CPAR data purged 3 years from contract completion**

Relevancy

- **<u>Objective</u>: To remove from consideration those contract references that are clearly unrelated to the type of effort sought**
  - **Relevancy is a threshold question, not a separate element of PPI**
  - **PPI with limited relevance may be used, but should be given less weight**
  - **Individual contracts may be wholly relevant or only portions may be relevant**
  - **Relevance is to "same or similar items;" not necessarily identical**

- **Consider PPI or Offeror team**
  - **Subcontractors performing major/critical tasks**
  - **Teammates, joint venture partners, etc.**
  - **Key personnel with relevant experience**
  - **Corporate mergers and acquisitions**

- **Evaluate Offeror team for portion or type of effort that each firm will perform**

Offeror's Demonstrated Performance

- **Performance Successes**
  - **Superior performance above contract standards**
  - **Innovative processes**
  - **Customer or industry awards**
  - **Proactive problem-solving**

- **Or problems**
  - **Whether problems were caused by the Contractor, the Government, or other factors**
  - **Whether solutions were timely and effective**
  - **How well the contractor worked with the customers to resolve the problems**
  - **Includes problems with or by subcontractors, partners or teammates**

No Past Performance Record?

- **Unless a company is newly formed, some type of performance record should exist**

- **Non-Federal Government data sources**
  - **Commercial work can be evaluated**
  - **Look for state and local government level performance data**

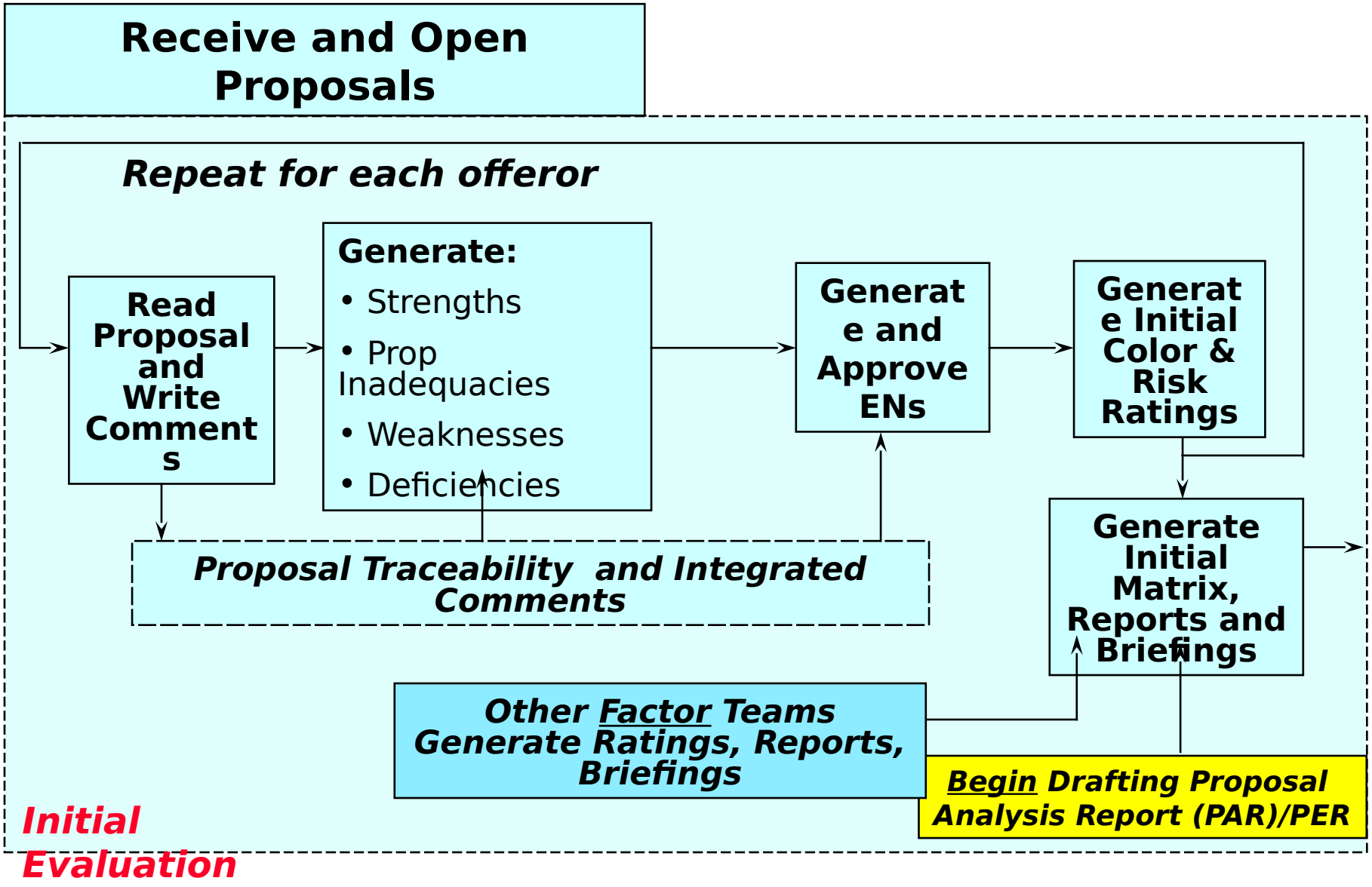
- **Performance by key personnel**

- **Performance of predecessor companies**

- **If no identifiable performance history is available, offeror is given an Unknown Confidence Rating**

No record cannot be viewed favorably or unfavorably

Initial Evaluation Phase



Exchanges (FAR 15.306)

- **Clarifications:**
  - **Limited exchanges, between the Government and offerors, that may occur when award without discussion is contemplated**
    - **To clarify relevance of past performance information, to provide an offeror opportunity to respond to adverse past performance, to resolve minor or clerical errors**
- **Communications:**
  - **Exchanges between the Government and offerors, leading to establishment of the Competitive Range**
    - **To allow reasonable interpretation of the proposal, to facilitate the Government's evaluation process, to clarify relevance of past performance information, to respond to adverse past performance**
    - **May NOT be used to cure proposal deficiencies or material omission, or to revise the proposal**

Exchanges (FAR 15.306)

- **<u>Discussions</u>:**
  - **Objective is to maximize the Government's ability to obtain best value based on the requirements and the evaluation factors set forth in the solicitation**
  - **Happen after establishment of Competitive Range**
  - **Include "negotiations" between the Government and offerors, undertaken with the intent of allowing the offeror to revise its proposal**

- **The Government shall indicate significant weaknesses, deficiencies, and other aspects of its proposal that could be altered or explained to materially enhance the proposal's potential for award**

Award Without Discussion

Determine if Award Without Discussions (AWOD) Possible

Solicitation must state AWOD is an option *See FAR 52.215-1(f)(4)*

***Based on Initial Ratings*:**
Are x contracts/proposals acceptable as written (no changes)?

No

Are <u>only</u> "Clarifications" needed?

- Relevance of past performance
- Response to adverse past performance
- Resolve minor or clerical errors

No → **Go to Comp. Range**

Go to Decision Phase

v responses and update ratings

No

Yes

Are x contracts/proposals acceptable as written (no changes)?

Award Without Discussions (AWOD)

x = total # of contracts that must be awarded

** = SSA approves release of ENs*

Competitive Range Determination

Solicitation must notify offerors the Comp Range can be limited

FAR

Does the field need to be reduced to "the most highly rated proposals"?

No

FAR 15.306 (c)(2)

Yes

Are Communication ENs needed?

- ***(Not an opportunity to revise proposal)***
- **Resolve inclusion in Competitive Range**
- **Relevance of past performance**
- **Response to adverse past performance**
- **Proposal ambiguities or other concerns**

No

Competitive Range Determination Briefing

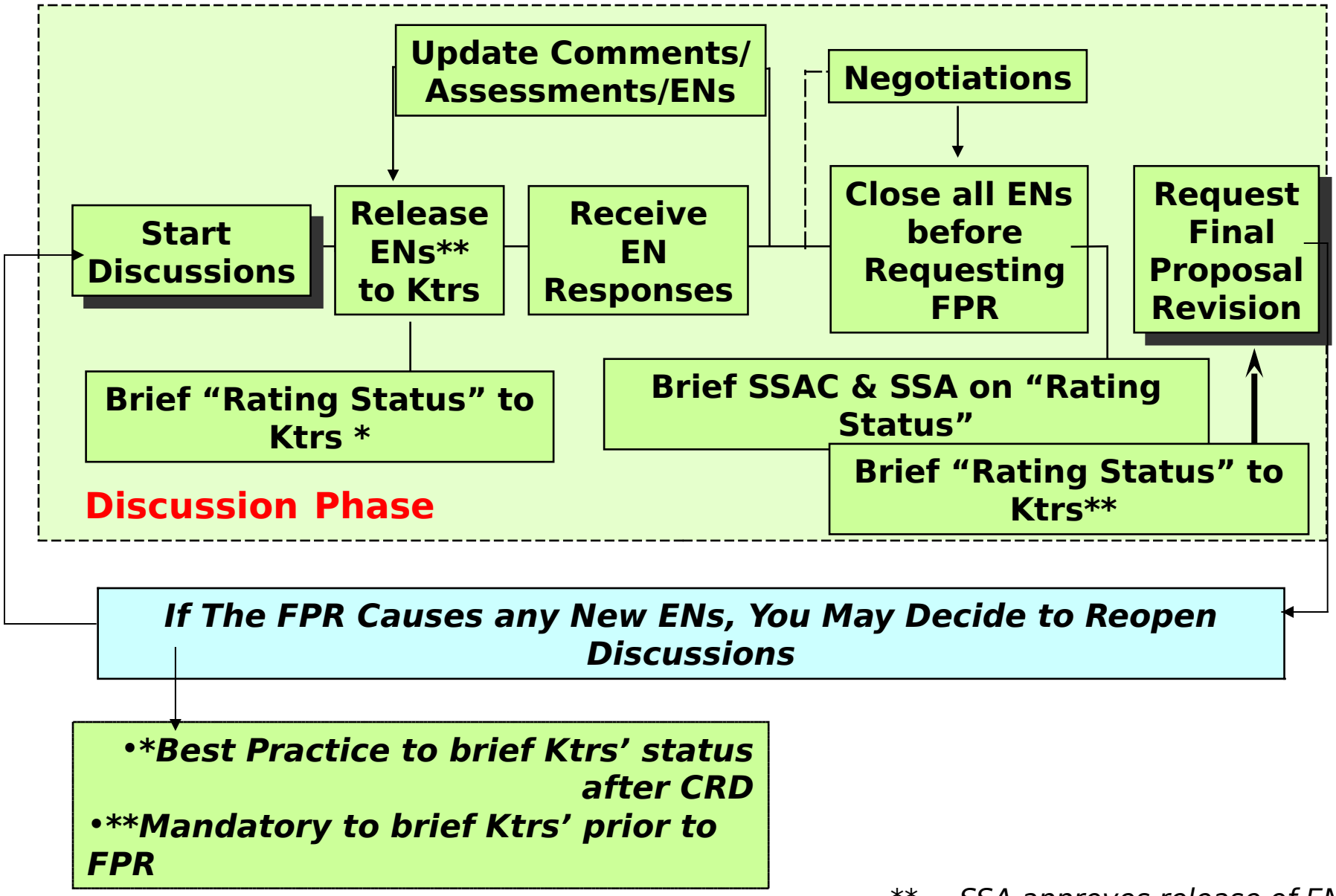
Yes

Send "Communication" ENs*, receive answers and update ratings

** = SSA approves release of ENs*

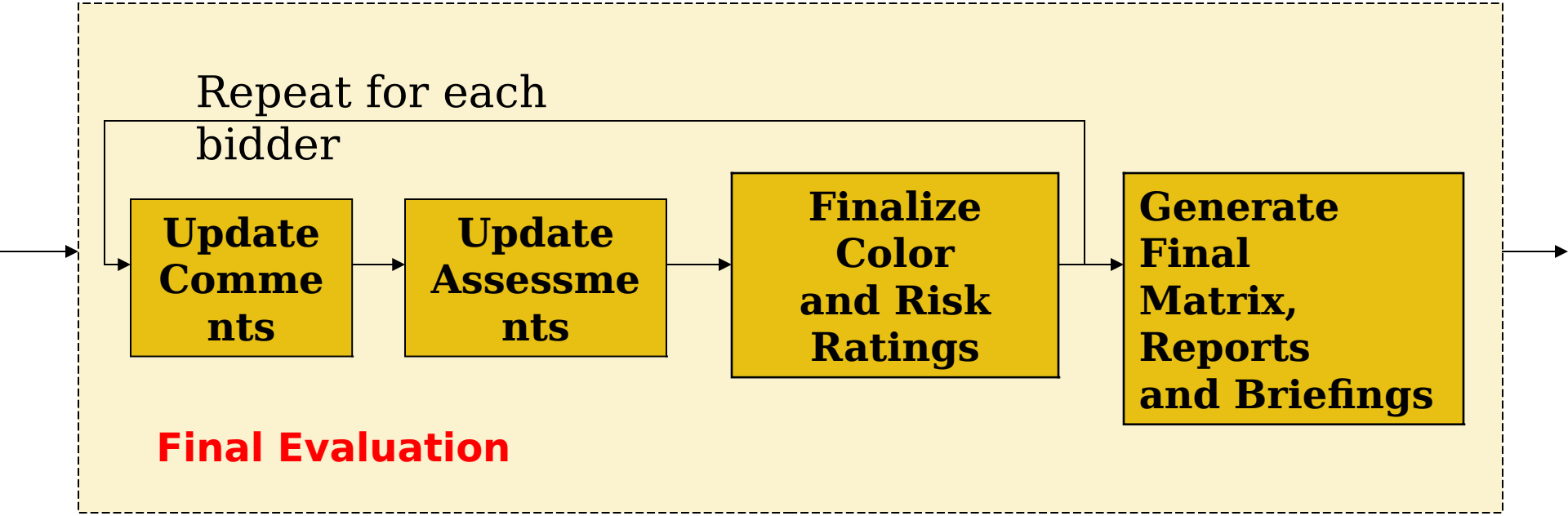
(FAR *15.306 (c)(2)*)

Discussion Phase

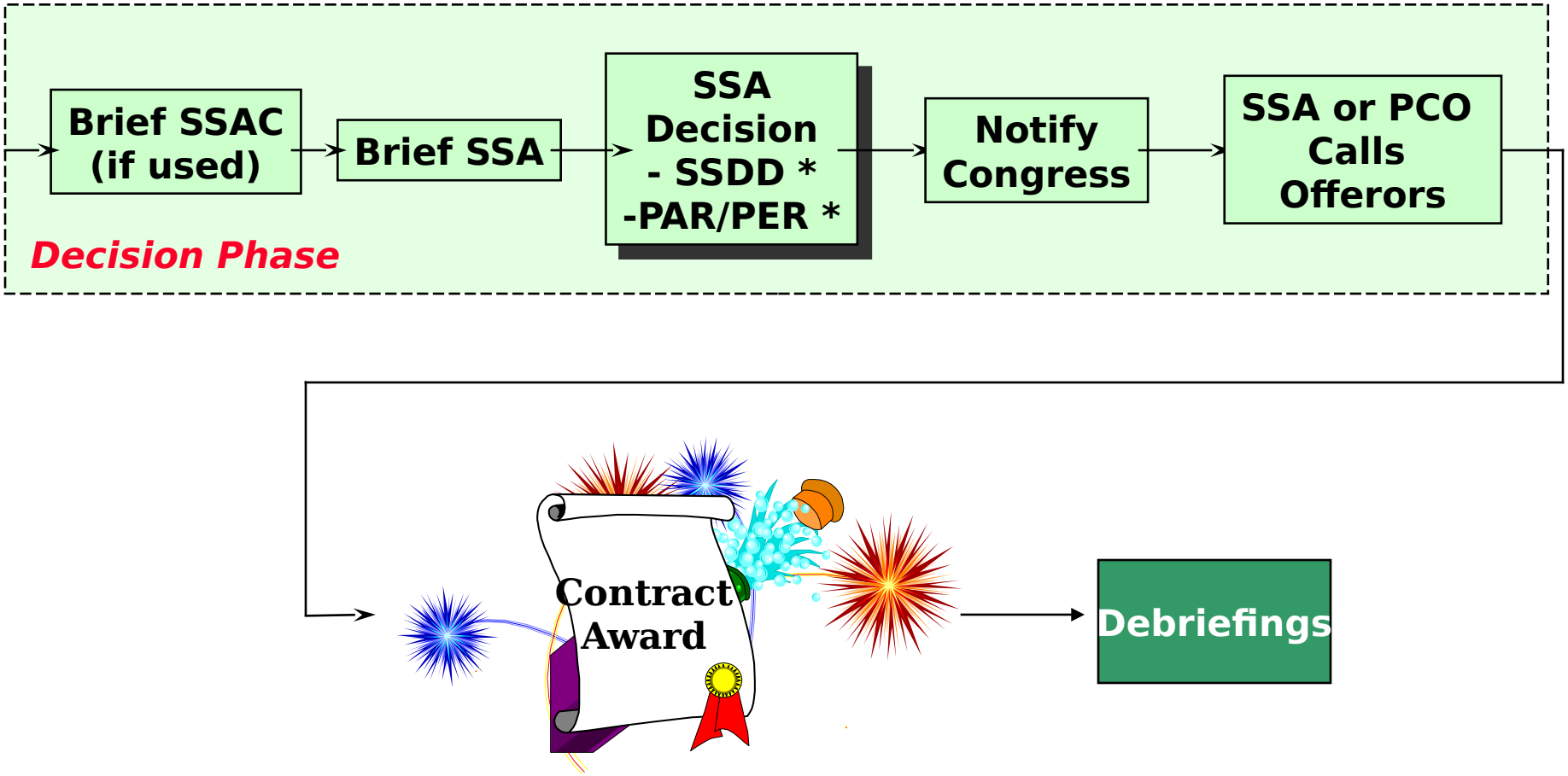

Update Comments/ Assessments/ENs
Negotiations
Start Discussions
Release ENs** to Ktrs
Receive EN Responses
Close all ENs before Requesting FPR
Request Final Proposal Revision
Brief "Rating Status" to Ktrs *
Brief SSAC & SSA on "Rating Status"
Brief "Rating Status" to Ktrs**
Discussion Phase
If The FPR Causes any New ENs, You May Decide to Reopen Discussions
•*Best Practice to brief Ktrs' status after CRD
•**Mandatory to brief Ktrs' prior to FPR

** = SSA approves release of ENs

Final Evaluation



Decision Phase



* SSDD = Source Selection Decision Document,
PAR = Proposal Analysis Report, PER = Proposal Evaluation Report

Debriefings

- **Debriefing to Unsuccessful Offerors**
  - **Before Award**
    - **Offerors excluded from competition**
  - **Post-Award**
    - **Both successful and unsuccessful Offerors**
- **Debriefing of Offerors may be done orally, in writing or other method acceptable to the Offeror**
- **Use the Charts from the SSA Decision Briefing**
  - Show each Offeror his Strengths/Deficiencies/Weaknesses
  - Demonstrate the fairness and integrity of the source selection process
  - Assists Offeror in understanding evaluation for future business

Debriefings (Cont.)

- **Promote Open and frank exchanges of information with Offerors after award**
  - Demonstrate the fairness and integrity of the source selection process
  - Can reduce unnecessary protest
  - Improve future proposals
  - No release of information prohibited from disclosure (FAR 24.202) or exempt under FOIA

Common Proposal Problems

Common Proposal Problems: General

- Not following proposal instructions
  - Information in the wrong volume
  - Information omitted
  - Exceeding page counts
  - Fonts used on charts and tables are too small

- Careless errors
  - Numbers do not add correctly
  - Blanks in RFP Sections A-K not completed
  - Transposed numbers
  - Pages missing after assembling proposal

Common Proposal Problems: Technical

- **Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) events do not correlate**
- **Process described in technical narrative is inconsistent with IMP and/or Contractor SOW**
- **Technical proposal does not respond to all Section L requirements**
- **Technical narratives not in sufficient depth to facilitate understanding by evaluators**
- **Too much superfluous information and marketing information**

Common Proposal Problems: Proposal Risk

- Schedule proposed does not reflect complexity of tasks
- Proposed labor categories do not reflect technical challenges
- Proposed hours do not support proposed schedule
- Proposed schedule does not reflect technological challenges

Common Proposal Problems: Past Performance

- **Contract references are not relevant**
  - **Does not meet relevancy criteria in Section M**
  - **Relevancy justification does not clearly tie partially relevant effort to solicitation SOW task**

- **Past Performance Volume not submitted before proposal due date when requested**

- **Reference contacts and phone numbers out of date**
  - **Makes validation of claims difficult or impossible**

- **When past performance was problematic, offeror fails to describe demonstrated resolution or correction, or address means to avoid recurrence**

Common Proposal Problems: Cost/Price

- **Basis of estimates omitted or inadequate**
- **Failure to include ALL information requested in Section L**
- **Failure to check calculations**
  - **Section B prices do not correlate with cost/price data**
  - **Individual schedules do not track to summary data**
- **Composition of overhead pools not adequately described**
- **Major/significant expense items procured or subcontracted not adequately supported**
- **Travel expenses not adequately supported**

Where Can I Get Help?

- **Small Business Administration**
  - **Regional or Local Offices**
  - **Buying Organization Representatives**
  - **Agency Small Business Office**
- **Contracting Officer**
- **Defense Contract Management Agency (DCMA)**
- **Defense Contract Audit Agency (DCAA)**
- **Professional Contract Management and Proposal Writing Associations**

Summary

- **Take advantage of opportunities for industry involvement as early in pre-award process as possible**
- **Provide the Government with thoughtful comments to draft documents**
- **Ask questions before preparing your proposal**
- **Read the RFP carefully, including all attachments and annexes**
- **Follow the RFP Instructions in Section L**
- **Check the proposal before submission**